The Comptroller & Auditor General of India (CAG) audits the transactions of the Central Government and also reports on the working of the Government companies. CAG also audits other Statutory Corporations in accordance with the provisions of the respective legislations.

(c) The CAG is not responsible for the audit of societies registered under the Societies Registration Act, except in cases where the audit of such bodies is covered under Section 14 of CAG's (DPC) Act, 1971 or in entrusted to him under Section 20(1) of the said Act, 1971 by the President of India or the Governor of a State.

(d) The Reports of the CAG for the Central and State Government Departments, including Railways and P&T, and Government companies, etc. are regularly submitted to the President/ Government or the Governor, as the case may be, who causes them to be laid on the Table of the Parliament or the Legislature. The CAG also submits Audit Reports on various autonomous bodies, societies, etc. audit of which has been entrusted to him or is otherwise covered under the relevant provisions of the C.A.G's (D.P.C.) Act, 1971.

(e) Does not arise.

Credit Authorisation Scheme

772. SHRI ASHOK NATH VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a large number of companies taking advantage of Credit Authorisation Scheme have failed to submit quarterly financial information;

(b) if so, what are the details thereof for the period ending 30th December, 1987;

(c) whether there is any penal clause in the Scheme for delay in submission of information; and

(d) if so, whether any action has been taken against the defaulting companies?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) Reserve Bank of India's instructions to banks regarding Credit Authorisation Scheme relate to financial discipline. The banks are required to obtain statements prescribed under Quarterly Information System (QIS) from borrowers whose borrowings exceed the aggregate working capital limits of Rs. 50 lakhs from the entire banking system, not withstanding that Reserve Bank of India's prior authorisation for sanction of working capital limits borrowers is required only when it is in excess of Rs. 7 crores for export-oriented units and Rs. 6 crores for others. The Reserve Bank of India has reoprted that half-yearly statements for the period ending December, 1987 have not yet been received by it from all the banks.

(c) and (d) Banks are also authorised to charge a penal interest of 1 per cent per annum on total outstandings for the period of default in the event of non-submission of returns by the borrowers. In the case of persistent defaulters, banks may even freeze the accounts. RBI, has not, however, obtained at any time, information relating to the number of cases where banks have taken penal action against defaulting borrowers.

Assistance to Rajasthan for tackling Extremist Activities

773. SHRI SANTOSH BAGRODIA: Will the Minister of HOME AFFAIRS be pleased to state:

(a) the details of assistance offered by the Central Government to Rajasthan for tackling the menace of extremist activities; and

(b) the details of assistance sought during the last three years by the State Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. CHIDAMBARAM): (a) There is no menace of extremist activities in Rajasthan.

(b) No such request was received from the Government of Rajasthan.

Bank Loans to drought affected people

774. SHRI SANTOSH BAGRODIA: Will the Minister of FINANCE be pleased to state:

(a) whether the nationalised banks have been instructed to provide loans to the drought affected people in the country; and

(b) if so, what is the number of people in Rajasthan benefited thereby particularly in Bhilwara district of Rajasthan?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Reserve Bank of India (RBI) has issued detailed guidelines to the commercial banks for providing credit assistance, to the persons affected by drought, for raising alternative crops or fodder, production of seeds, minor irrigation purposes, general purpose consumption loans to small and marginal farmers and other weaker sections upto Rs. 500/- and for setting up fair price shops. The guidelines also envisage conversion of short term loans into medium term loans and reschedulement of investment credit. Further, in areas affected by droughts successively for three years or more, banks have been advised to defer recovery of the amount fallen due on account of principal as well as interest in the current year, (July 87—June 88) for a period of two years or till the next normal year, if it occurs earlier. Banks have also been advised to charge a concessional rate of interest of 10 per cent per annum on short term loans upto Rs. 5000/- in the case of farmers who have suffered three or more consecutive drought and whose loans have been converted/ rescheduled.

(b) The data reporting system does not generate districtw se information as desired. However, assistance extended by the public sector banks to persons affected by drought in Rajasthan as at the end of October, 1987 was to the extend of Rs. 19.88 crores in (51,163 Accounts) respect of about fifty thousand borrowal accounts.

Funding for Natural Calamities

775. SHRI BASUDEB MOHAPATRA: Will the Minister of FINANCE be pleased to state:

(a) what are the patterns of funding for combating the natural calamities such as drought, flood and cyclone,

(b) what are the recommendations of the Seventh and Eighth Finance Commission to this effect; and

(c) whether in view of frequent natural calamities occuring from time to time, Government have any proposal to increase the 'Margin Money' limit?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) and (b) The existing policy relating to financing of relief expenditure is based on the recommendations of Eighth Finance Commission which have come into force from 1st April, 1987. The Commission has allotted an amount called 'Margin Money' for each State, as part of its revenue estimates. 50 per cent of the Margin Money is contributed by the Centre as grant in-aid to the States while the remaining 50 per cent is contributed by them. On the occurrence of natural calamity, a State will be entitled to draw on the centre's share after it has exhausted its own share of the Margin Money.